

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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September 20, 2012

Mr. Greg Larson
Town Manager
Town of Los Gatos
110 E. Main Street
Los Gatos, CA 95030

Dear Mr. Larson:

RE: Review of the Town of Los Gatos' Adopted Housing Element

Thank you for submitting the Town of Los Gatos' housing element, adopted March 5, 2012, and received for review on September 17, 2012. The Department is required to review adopted housing elements and report the findings to the locality pursuant to Government Code Section 65585(h).

The Department is pleased to find the adopted housing element in full compliance with State housing element law (Article 10.6 of the Government Code). The Department's review found the adopted element to be substantially the same as the revised element reviewed by the Department on April 8, 2011 and determined to comply with statutory requirements.

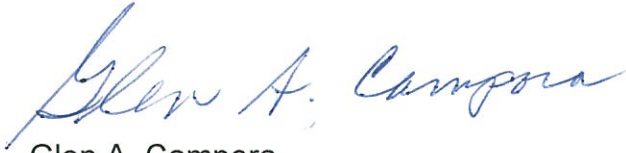
The Department commends Los Gatos for its local density bonus program and Affordable Housing Overlay Zone. These and other housing element programs can facilitate infill development, maximize land resources, and promote the feasibility of developing housing affordable to lower-income families and workers.

The Department is pleased to report the Town now meets specific requirements for several State funding programs designed to reward local governments for compliance with State housing element law. For example, the Housing Related Parks Program, Local Housing Trust Fund and the Building Equity and Growth in Neighborhoods programs include housing element compliance either as a threshold or competitive factor in rating and ranking applications. Details about these and other programs are available at Department's website at http://www.hcd.ca.gov/hpd/hrc/plan/he/loan_grant_hecompl011708.pdf.

Specifically, the Housing Related Parks Program (HRPP), authorized by Proposition 1C, is an innovative program rewarding local governments for the approval of housing for lower-income households with grant funds for park and recreation facilities in their communities, beginning calendar year 2010. Additional information on the HRPP can be obtained from the Department's website at <http://www.hcd.ca.gov/hpd/hrpp/>.

The Department appreciates the cooperation and diligence of Ms. Wendie Rooney, Community Development Director, and Ms. Suzanne Avila, Senior Planner, throughout the course of the housing element review process. The Department wishes Los Gatos success in implementing its housing element and looks forward to following its progress through the General Plan annual progress reports pursuant to Government Code Section 65400. If the Department can provide assistance in implementing the housing element, please contact Jess Negrete, of our staff, at (916) 323-3185.

Sincerely,

A handwritten signature in blue ink that reads "Glen A. Campora". The signature is written in a cursive style with a large initial "G".

Glen A. Campora
Assistant Deputy Director